IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.182 OF 1996

Commissioner of Income-tax,
Bombay City XIII, Bombay .. Applicant.
V/s.
M/s.Arihant Shipbreakers .. Respondent.

Mr.R.V. Desai, senior counsel with Mr.A.S. Rao for the applicant.

CORAM : S. RADHAKRISHNAN &
J.P. DEVADHAR, JJ.

DATED : 7TH MARCH, 2005.

P.C. :

1. Heard learned counsel for the application. In the above, question of law referred to reads as under :

> 1. Whether, on the facts and in the circumstances of the case, the activity of Ship-breaking carried on by the assessee, could be regarded as an industrial undertaking engaged in manufacture or production of an article or thing for the purpose of Sec. 80-HH and/or 80-I of the Income-tax Act, 1961 ?
>
> 2. Whether, on the facts and in the circumstances of the case, the I.T.A.T. was right in law in holding that the assessee is eligible for deduction u/s.80HH and 80-I of the Income-tax Act, 1961, in suspect of the profits and gains arising from the activity of Ship-breaking ?

2. The learned counsel for the applicant fairly states that the issues involved in the above are squarely covered by the judgment of this court in the case of **Ship Scrap Traders & Others V/s. CIT [251**

ITR 806] with regard to both the questions.

3. In view thereof, the questions are answered in affirmative in favour of the assessee against the revenue.

(S. RADHAKRISHNAN, J.)

(J.P. DEVADHAR, J.)